

Letter of Appeal
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

October 17, 2016

CC Docket No. 02-6

Letter of Appeal

This Letter of Appeal is for Lakewood Township School District, BEN 123469. This is to appeal the denial of FRNs 2827823 and 2827834, 471 Application Number 1038408 for the 2015-2016 funding year.

The contact information for this appeal is:

Mark Seltzer
256 Eagleview Blvd. #513
Exton, PA 19341
Phone: 610-280-3810
Fax: 610-280-6111
Email: markseltzer@trmgi.com

I am going to modify the appeal originally sent to USAC, to avoid being repetitive, rather than submitting an entirely new appeal. I will also include the USAC appeal in the attachments. USAC's denial is rather puzzling, as this appeal is fairly easy to comprehend. Increasingly, it appears as though USAC doesn't even read appeals prior to denying them. This is why for years, so many applicants chose to by-pass USAC, as it was pointless and a waste of time and effort.

I am including all related documents. I will list the page numbers of each in the body of this appeal. Please note that the page numbers correspond with the page number of the attachments only, not the actual appeal. For example, page 1 is the first page after the actual appeal letter.

Appeal Information:

The district received the Funding Commitment Decision Letter, dated 5/26/2016, indicating that funding was denied for FRNs 2827823 and 2827834. This was the result of a Selective Review, regarding a different FRN. The reviewer was very difficult to work with and seemed to have an attitude through much of the review. There were multiple instances in which the reviewer was extremely rude and unpleasant when we simply tried to clarify her questions, which often contained incorrect information or were seemed to repeat something asked in another question. It was often difficult to understand how the review concluded things based on her comments.

We are puzzled as to why both FRNs were denied, as all documentation was provided to the reviewer, along with a complete explanation. The reviewer seemed to misunderstand the bids, but rather than asking for clarification, the reviewer just denied the FRNs. While we responded with additional information, it does not appear that the reviewer read any of the response.

FRN 2827823 was denied because the Form 470 did not include the words "or equivalent." The reviewer brought this issue up previously and I was confused as to what she was talking about, since the RFP clearly states, "Bidders may bid equivalent or alternate equipment to what is listed." Erroneously, when the original response was sent to the reviewer, the incorrect file was attached. That file was a list of desired equipment from the district, but was not the actual RFP that was provided to bidders. Bidders were provided with an RFP as a PDF, which included instructions. In the instructions it clearly states that bidders may bid equivalent equipment. This was sent to the reviewer, but the reviewer still denied the FRN. Since bidders submitted bids with equivalent equipment to that listed on both the Form 470 and the RFP, this seems like an odd rationale to deny the FRN.

Please see pages 1-2 of the attachment. Page 1 is the email in which this was explained to the reviewer and page 2 is the actual RFP that specifies this.

FRN 2827834 was denied because, "You did not consider all of the bids received in response to the Form 470 and/or RFP during your bid evaluation process. Your bid scoring worksheets did not contain a score for each vendor that provided a response."

This denial is even more puzzling. There were three bidders. Each of the three bidders is listed on the Bid Evaluation. The bidders are Office Business Systems (OBS), Dyntek and Promedia. All three are summarized on the bid evaluation. The bids from Dyntek and Promedia were listed, but considered incomplete, as they did not contain sufficient information to be considered. In addition, Dyntek and Promedia bid on a different type of BMIC than the OBS bid. This too is clearly stated on the bid evaluation, and was explained to the reviewer.

In 2015-2016, USAC updated the ESL to indicate that, "The agreement or contract must specifically identify the eligible components covered including product name, model number and location. Support will only be paid for the actual work performed under the agreement or contract."

Beginning in 2014-2015, bidders began to bid BMIC as a block of hours, with no description of what was included in this block of hours, including what equipment was covered or the quantities of equipment covered. This trend began with what seemed to be a misinterpretation of the Eligible Services List. This misinterpretation assumed that the ESL allowed for blocks of hours, without the need to specify what this block included. In many cases, it was impossible to determine if the bid was for the items requested, or even for services considered eligible by USAC. Bidders began to just refer to this block of hours as BMIC, with no details. This created two sets of bidders. The first type bid exactly what the applicant requested and provided a very detailed bid, which included all model numbers and quantities. These bids were very clear. The second set of bidders only bid blocks of time, with no model numbers and quantities. It was never clear what was included. Often bids were sent back to these bidders for

clarification. The responses were often even more confusing. In addition, bidders would often bid two types of BMIC. The first type was for Software Only, which included Bug Fixes, Software Updates and Technical Support, but not hardware. The second type was a block of hours, which did not include Software support. Bidders could rarely explain what they meant by the second type, but often indicated that it was for equipment for which Bug Fixes, Software Updates and Technical Support was no longer available. It was essentially a time and materials support to repair equipment, if it was to break. As such, the Bid Evaluations, separate the two types of bids. In this case, there are two lines on the Bid Evaluation, one for Software Only and a second for Hourly. It is important to note that these are two different types of BMIC and one is not a substitute for the other. In some cases, bidders will only bid one type or the other, while in other cases, bidders will bid both types. The hourly maintenance typically only applies to equipment which has been deemed end-of-life by the manufacturer. There is no support available on end-of-life equipment. In other words, there are no Bug Fixes, Software Upgrades or Technical Support available from the manufacturer, but authorized dealers can make repairs on a time and materials basis. Bidders have never been able to explain why a customer would want to have hourly work done on equipment that is still supported by the manufacturer. When asked about this, bidders often erroneously claim that equipment that is still supported by the manufacturer is end-of-life, when it is not. It is unclear if they are simply confused or being dishonest.

Bidders were provided with a list of equipment for which coverage was being requested. All three bidders had this information. All equipment on this list was eligible for Bug Fixes, Software Updates and Technical Support from the manufacturer. (See page 3)

The first bid is from Promedia (see page 4). Promedia's bid refers to the service as, "BMIC for 12 months of support on specified equipment, for \$41,400.00." This is hourly BMIC, with only a block of hours quoted. This bid lacks any information whatsoever to possibly compare it to other bids. It refers to "specified equipment," but doesn't state what this equipment is. Promedia was asked to revise their bid to include the model numbers and quantity, but refused. As such, their bid was considered incomplete, as it lacks all information listed in the ESL. Promedia claimed that all equipment was end-of-life. The bid is listed, as is the cost, under Hourly.

The next bidder is Dyntek. This bid is also hourly BMIC, with only a block of hours quoted. Dyntek's original bid stated that it was for, "Annual BMIC for FY 15-16 Erate Meraki Switches, Wireless Network and other network components," for \$30,000.00 (see page 5). While this bid is slightly more specific than Promedia's, by specifying the manufacturer of the switches, it lacks quantities and model numbers, as required by the ESL. "Other Network Components" could include anything and lacks specificity. In addition, the district was not seeking BMIC for Meraki switches. The equipment list provided to Dyntek specifies Cisco equipment. Meraki switches were being bid under Internal Connections. This bid was for BMIC on equipment other than what the district requested, and was instead for equipment being bid under a different category.

Dyntek was asked to revise their bid to include model numbers and quantities (see page 6) and responded with a revised bid (see pages 7 & 8). In the revised bid, Dyntek listed the service as, "Annual BMIC for FY 15-16 For CISCO switches, Blades, Chassis and other network

equipment, “for \$30,000.00 and second quote for \$30,000.00 for Meraki switches, Wireless Network and other components. The revised bids again do not specify what “Other Network Components” means. Dyntek did include two model number for the Cisco portion, but did not list quantities. Neither of the model numbers listed in the Dyntek bid for Cisco equipment were on the equipment list provided to bidders and were not items for which the district was seeking coverage or funding. It is unclear how or why Dyntek included these two model numbers. The model numbers listed in the bid are not model numbers of equipment that existed in the district. If you compare the model numbers listed in Dyntek’s bid for Cisco equipment, you will notice that they are not in the equipment list provided to bidders. Dyntek simply added two model numbers, for equipment which the district didn’t actually possess. Since Dyntek was clearly confused, the district only included the Cisco bid, since BMIC was not being requested for Meraki equipment. As such, the bid evaluation only lists the cost as \$30,000.00, instead of \$60,000.00. The Dyntek bid provides no information to determine what service would actually be performed, what portion might be ineligible, the quantities of equipment included or the model numbers included, except for two model numbers, which the district didn’t actually have and which wasn’t actually requested to be covered. This bid cannot be considered complete, as per the ESL. As such, it cannot be scored, as it would require the applicant to guess at all of the missing elements.

Office Business Systems submitted a bid that is completely consistent with the information on the list of existing equipment. This bid contains all information required in the ESL, including model number, quantities and location. The Office Business Systems bid is for Software Only coverage, not hourly. The eligibility of each item listed can be determined. The service being performed is clear. This is for a different service than the other two bids, as it is Software Only. To compare other bids, which lacked the specificity of the OBS would be completely unfair.

On the bid evaluation (see page 11), all three bidders are clearly included. Both Promedia and Dyntek are considered incomplete and are not scored, because they are incomplete. Neither bidder bid on an equivalent service to that bid by OBS, and instead quoted hourly BMIC. As was explained to the reviewer, the bid evaluation records the bids in two categories, since the three bids are not for the same service. The first category is Software Only and the second is Hourly. Again, Software Only refers to Technical Support, Bug Fixes and Software Upgrades, while Hourly refers to blocks of hours which did not include Technical Support, Bug Fixes and Software Upgrades. The only bidder that bid Software Only was Office Business Systems. While Dyntek and Promedia bid, they only bid the block of hours, which lacked a description. The district elected to choose the Software only, as it was the only bid that included Technical Support, Bug Fixes and Software Upgrades. This was explained to the reviewer, who apparently just ignored it completely. In fact, the bid evaluation clearly indicates and lists “did not bid” for both bidders that did not quote on Software Only, but their bids were recorded as hourly. While it is perhaps not visible in the attachment, it is even highlighted in bright yellow.

The OBS bid is very clear. The service being provided is Cisco Base, all model numbers are listed, all quantities are listed, and the cost for each model number is listed, so that all ineligible costs can be cost allocated, as required by the ESL. By comparison, the other two bids list no model numbers, except one bid that lists equipment that the district doesn’t have, list no quantities, contain no description whatsoever of what is being provided, provides no information

regarding what portion might be ineligible and contain no cost information other than an hourly rate. Both bidders were provided with the opportunity to clarify this information, but did not do so. There is insufficient information to compare these bids to the OBS bid, and the bids were considered incomplete for this reason. USAC cannot possibly claim that bids that do not even meet the requirements of the ESL are complete, and therefore should be scored on the bid evaluation, as though they are complete, as opposed to being marked as incomplete. There is surely nothing fair about that. It would require that an applicant essentially guess at what is included so that it can be compared to another bid that specifies exactly what is included.

The most baffling part of this, other than what is explained above, is that USAC appears to also claim that a bid in the amount of \$36,336.55 covering approximately 325 pieces of equipment and over 20 model numbers is somehow less cost-effective than a bid that specifies 0 pieces of equipment and 2 model numbers, for \$30,000.00. Even basic math skills dispute this logic. Not only was the reviewer either unable or unwilling to understand this, but USAC then agrees with this logic, when the appeal is denied. It was clearly explained to both that while the Dyntek revised bid did include model numbers, it was model numbers other than what was requested by the district and model number for equipment that the district didn't actually have.

We request that the FCC order USAC to approve funding for these FRNs.

Please advise if any additional information is required for consideration of this request.

Sincerely,



Mark Seltzer
Consultant

610-280-3810

Mark Seltzer

From: Mark Seltzer <markseltzer@trmgi.com>
Sent: Monday, April 18, 2016 2:58 PM
To: 'Graham-Lyons, Michelle'
Subject: RE: BEN 123469_Lakewood Township School District_USAC Infomation Request -Follow-Up #2 (due 4-19-2016)
Attachments: LW_1516_RFP.pdf

X I think I figured out the issue here. In my original response, I incorrectly sent you a Word Doc as the RFP. This was not the RFP. This was a document that was used to edit the equipment list originally. The actual RFP is the attached document, with is a PDF.

FRN 2827834 is not addressed in the RFP. The RFP only addresses FRN 2827823, which is the Internal Connections. While the Form 470 does mention a manufacturer's name for the BMIC, this is because it is requesting Basic Maintenance on existing equipment. The manufacturer of the existing equipment is simply identified. At a minimum, bidders have to know what type of equipment needs coverage.

Sorry if I confused you with the wrong file.

Mark Seltzer
610-280-3810

From: Graham-Lyons, Michelle [mailto:Michelle.Lyons@sl.universalservice.org]
Sent: Tuesday, April 12, 2016 11:09 AM
To: Mark Seltzer <markseltzer@trmgi.com>
Subject: BEN 123469_Lakewood Township School District_USAC Infomation Request -Follow-Up #2 (due 4-19-2016)

Mr. Seltzer,

This is a follow up to the information you provided in reference to the E-Rate Application Information Request for Funding Year 2015. Please provide the information requested by the close of business **04/19/2016**. If we do not receive the information by that date, your application will be reviewed based on the information we currently have, which may impact the approval of your application.

- (1) In your most recent response regarding Application #1020205, FRN 2827737, you indicated that you used Verizon invoices for 11 separate accounts. Please provide copies of these invoices which were utilized to determine the FRN request.
- (2) Please see the attached letter regarding your application.

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 7 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Email to Review

Lakewood Township School District RFP-

The district is seeking the following items, in the following quantities:

- 45- Meraki L2 Cloud Managed 48 port GigE s 740 W POE Switches with user licenses for 1 year
- 20 -Meraki L2 Cloud Managed 24 port GigE Switches with user licenses for 1 year
- 27 -Meraki L2 Cloud Managed 48 Port GigE Switches with user licenses for 1 year
- 45- Meraki 1000Base SX Multi Mode
- 54- Meraki 10 Gbe Twinax Cable With SFP + Modules, 1 meter
- 9 – Meraki L3 Core 24 port
- 1 – Meraki Firewall
- 12 – 10GB SFP+ GBICS

Quotes should include all mounting, programming and configuration costs.

Bidder Instructions:

- 1) Bidders should send any and all questions to markseltzer@trmgi.com. To ensure that all bidders are provided with the exact same information, questions are only being accepted via email. There will likely not be a walkthrough scheduled for this project.
- 2) All bids should include SKU numbers to be considered complete.
- 3) All bids should include the required contracts to be considered complete.
- 4) Installation should be included in all bids. Installation costs must be clearly marked.
- 5) Bids should clearly indicate whether or not bundled maintenance is included.
- 6) Equipment must be compatible with district's existing Cisco/Meraki network. Bidders may bid equivalent or alternate equipment to what is listed. Bids for equivalent or alternate equipment must include a description explaining how the equivalent or alternate equipment is compatible with the existing Cisco/Meraki network and provide a description detailing how the alternate equipment is the equivalent of what is being requested.

RFP

<u>Equipment</u>	<u>Begin Date</u>	<u>End Date</u>	<u>Service Level</u>	<u>School Site</u>	<u>Qty</u>
ASA5520-BUN-K9	7/1/2015	6/30/2016	Smartnet	540 BROADWAY	1
ASA5520-BUN-K9	7/1/2015	6/30/2016	Smartnet	540 BROADWAY	1
				Sub Total	
WS-C6509-E	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
WS-SVC-WISM-1-K9=	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2015	6/30/2016	Smartnet	HIGH SCHOOL	1
WS-C3750G-48TS-S	7/1/2014	6/30/2015	Smartnet	HIGH SCHOOL	1
WS-C3750-24TS-S	7/1/2014	6/30/2015	Smartnet	HIGH SCHOOL	1
AIR-LAP1242AG-A-K9	7/1/2014	6/30/2015	Smartnet	HIGH SCHOOL	47
				Sub Total	
WS-C6509-E	7/1/2015	6/30/2016	Smartnet	Middle School	1
WS-C6513	7/1/2015	6/30/2016	Smartnet	GREGORY	1
				Sub Total	
AIR-CT5508-50-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CT5508-50-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
AIR-CAP3602I-A-K9	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
WS-C3560X-24P-S	7/1/2015	6/30/2016	Smartnet	Anastasia School	1
				Sub Total	
AIR-CT5508-50-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
AIR-CAP3702I-A-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
AIR-CAP3702I-A-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
AIR-CAP3702I-A-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
AIR-CAP3702I-A-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
AIR-CAP3702I-A-K9	7/1/2015	6/30/2016	Smartnet	GMC	1
				Sub Total	

Equipment list
 Provided to all bidders



535 US Highway 46 East
Little Falls, NJ 07424
Tel 973.253.7600
Fax 973.253.5601
www.promedianj.com

Proposal

Date 2/16/2015
Proposal # 212820
Expires 9/30/2015
Sales Rep Lupton, Cecelia

Lakewood Township School District
1771 Madison Avenue
Lakewood NJ 08701

Terms Net 30

BMIC Erate 470# 461890001294347

Qty	Part #	Description	Price	Amount
	ERATE	ERATE SPIN NO. 143004851		
1	SUPPENG	SUPPORT ENGINEERING - BASIC MAINTENANCE OF INTERNAL CONNECTIONS FOR 12 MONTHS OF SUPPORT ON SPECIFIED EQUIPMENT	41,400.00	41,400.00
			Total	\$41,400.00

Promedia has invested considerable time and resources to develop this proposal. The design and information contained herein is considered the intellectual property of Promedia until it is procured by the client. Distributing this proposal/design to other vendors or utilizing it for any purpose including development of an RFP is prohibited. Pricing on the proposal is valid for 21 days. Please confirm with Promedia before placing an order to ensure that all equipment is still available and pricing from the manufacturer has not fluctuated. Thank you for your consideration.



DynTek Services, Inc.
1120 Route 73, Suite 100
Mount Laurel, NJ 08054
Phone: (856) 834-1100
Fax: (856) 834-1111
Fed ID#13-4067484

QUOTATION

Date	Quotation #
03/05/15	DTKQ49132

Quote To:

Lakewood Twp Board of Education
Diane Piasentini
200 Ramsey Ave.
Lakewood, NJ 08701

Ship To:

Lakewood Twp Board of Education
Diane Piasentini
200 Ramsey Ave.
Lakewood, NJ 08701

Erate FY15-16 Category Two: Basic Maintenance - For FY15-16 Erate Meraki switches, Wireless Network and other network components

Terms	Salesperson	Quotation Expires
Net 30	Stacy Szczepanski	30 Days

Ln #	Qty	Part Number	Description	Unit Price	Ext. Price
1			Dyntek SPIN#143004427		
2	150	IHR	Professional Hourly Service - Annual Basic Maintenance for FY15-16 Erate Meraki switches, Wireless Network and other network components	\$200.00	\$30,000.00

SubTotal	\$30,000.00
Sales Tax	\$0.00
Shipping	\$0.00
Total	\$30,000.00

Comments or Special Instructions:

Please forward your Purchase Order to DynTek at Fax 856-834-1111 Attn: Order Processing.

Mail to:
DynTek Services, Inc.
1120 Route 73, Suite 100
Mount Laurel, NJ 08054

Original DynTek Bid

Mark Seltzer

From: Stacy Szczepanski <Stacy.Szczepanski@dyntek.com>
Sent: Thursday, March 5, 2015 4:56 PM
To: Mark Seltzer
Subject: RE: Erate 470 Category 2 Application - Lakewood Twp Sch Dist - #520200001313051
Attachments: lakewood twp boe - erate fy15 bm meraki dtkq49132-01.pdf; lakewood twp boe - erate fy15 bm cisco dtkq49133-01.pdf

Mark –
Please see the attached revised quotes.

Thanks,
Stacy

Stacy Szczepanski
DynTek Services, Inc.
www.dyntek.com
stacy.szczepanski@dyntek.com
856-834-1133 Direct
267-664-5123 Cell
856-834-1111 Fax

From: Mark Seltzer [mailto:markseltzer@trmgi.com]
Sent: Thursday, March 5, 2015 4:25 PM
To: Stacy Szczepanski
Subject: RE: Erate 470 Category 2 Application - Lakewood Twp Sch Dist - #520200001313051

Basic Maintenance is defined by USAC as following in their Eligible Services List. Please either correct your bid to contain all of this information or it has to be considered incomplete.

Eligibility limitations for basic maintenance

Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections components. The agreement or contract must specifically identify the eligible components covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract.

From: Stacy Szczepanski [mailto:Stacy.Szczepanski@dyntek.com]
Sent: Thursday, March 5, 2015 4:16 PM
To: Mark Seltzer
Subject: RE: Erate 470 Category 2 Application - Lakewood Twp Sch Dist - #520200001313051

Mark,

Email to Dyntek



DynTek Services, Inc.
 1120 Route 73, Suite 100
 Mount Laurel, NJ 08054
 Phone: (856) 834-1100
 Fax: (856) 834-1111
 Fed ID#13-4067484

QUOTATION

Date	Quotation #
03/05/15	DTKQ49133-01

Quote To:
Lakewood Twp Board of Education Diane Piasentini 200 Ramsey Ave. Lakewood, NJ 08701

Ship To:
Lakewood Twp Board of Education Diane Piasentini 200 Ramsey Ave. Lakewood, NJ 08701

Erate FY15-16 Category Two: Basic Maintenance - For FY15-16 For Cisco Switches, Blades, Chassis and other network equipment

Terms	Salesperson	Quotation Expires
Net 30	Stacy Szczepanski	30 Days

Ln #	Qty	Part Number	Description	Unit Price	Ext. Price
1			Dyntek SPIN#143004427		
2	150	IHR	Professional Hourly Service - Annual Basic Maintenance for FY15-16 For Cisco Switches, Blades, Chassis and other network equipment (1) WS-C4503-E Cisco Cat4500 E-Series 3-Slot Chassis (2) ASA5525-K9 Cisco ASA 5525-X with SW 8GE Data 1GE Mgmt AC 3DES/AES	\$200.00	\$30,000.00
				SubTotal	\$30,000.00
				Sales Tax	\$0.00
				Shipping	\$0.00
				Total	\$30,000.00

Comments or Special Instructions:

Please forward your Purchase Order to DynTek at Fax 856-834-1111 Attn: Order Processing.

Mail to:
 DynTek Services, Inc.
 1120 Route 73, Suite 100
 Mount Laurel, NJ 08054

Revised Bid



DynTek Services, Inc.
 1120 Route 73, Suite 100
 Mount Laurel, NJ 08054
 Phone: (856) 834-1100
 Fax: (856) 834-1111
 Fed ID#13-4067484

QUOTATION

Date	Quotation #
03/05/15	DTKQ49132-01

Quote To:

Lakewood Twp Board of Education
Diane Piasentini
 200 Ramsey Ave.
 Lakewood, NJ 08701

Ship To:

Lakewood Twp Board of Education
Diane Piasentini
 200 Ramsey Ave.
 Lakewood, NJ 08701

Erate FY15-16 Category Two: Basic Maintenance - For FY15-16 Erate Meraki switches, Wireless Network and other network components

Terms	Salesperson	Quotation Expires
Net 30	Stacy Szczepanski	30 Days

Ln #	Qty	Part Number	Description	Unit Price	Ext. Price
1			Dyntek SPIN#143004427		
2	150	IHR	Professional Hourly Service - Annual Basic Maintenance for FY15-16 Erate Meraki switches, Wireless Network and other network components (45) MA-SFP-1GB-SX Meraki 1000Base SX Multi-Mode (54) MA-SFP-10GB-LRM Meraki 10G Base LRM (45) MS220-48FP-HW Meraki MS220 Cloud Managed 48 P (20) MS220-24P-HW Meraki MS220 Cloud Managed 24 Port (27) MS220-48-HW Meraki MS220 Cloud Managed 48 P (20) MS220-24-1YR Meraki MS220-24 Enterprise License	\$200.00	\$30,000.00

SubTotal	\$30,000.00
Sales Tax	\$0.00
Shipping	\$0.00
Total	\$30,000.00

Comments or Special Instructions:

Please forward your Purchase Order to DynTek at Fax 856-834-1111 Attn: Order Processing.

Mail to:
 DynTek Services, Inc.



LAKWOOD BOARD OF EDUCATION
NETWORK INFRASTRUCTURE CISCO BASE MAINTENANCE
OFFICE BUSINESS SYTEMS INC SPIN # 143004900
OFFICE BUSINESS SYTEMS FCC REGISTRATION # 0011906419

5

Quantity	Description	Service Level	Unit Price	Total Price
Board office				
1	Core Switch	Cisco 3750G-24TSS	454.10	454.10
4	IDF Switches	Cisco 3560 48TSS	257.45	1,029.80
1	Power Switch	Cisco 3560 48PSS	323.00	323.00
2	Wireless AP	Cisco 1242AG AP	56.05	112.10
2	Wireless AP	Cisco 1310G Bridge	79.80	159.60
3	Wireless AP	AIR-LAP1142N-A-K9	56.05	168.15
SUBTOTAL				2,246.75
High School				
1	Core Switch	Cisco 3560G-24TSS	257.45	257.45
23	IDF Switches	Cisco 3560 48TSS	257.45	5,921.35
6	Power Switch	Cisco 3560 48PSS	323.00	1,938.00
3	Power Switch	Cisco 2960S 24PS-S	285.00	855.00
2	Power Switch	Cisco 3560CG-8PC-S	142.50	285.00
43	Wireless AP	AIR-LAP1142N-A-K9	56.05	2,410.15
SUBTOTAL				11,666.95
Clifton Ave				
1	Core Switch	Cisco 3560G-24TSS	257.45	257.45
3	IDF Switches	Cisco 3560 48TSS	257.45	772.35
1	IDF Switches	Cisco 3560 24TSS	167.20	167.20
1	Power Switch	Cisco 3560 48PSS	323.00	323.00
1	Power Switch	Cisco 2960S 24PS-S	285.00	285.00
39	Wireless AP	AIR-LAP1142N-A-K9	56.05	2,185.95
SUBTOTAL				3,990.95
Spruce Street				
1	Core Switch	Cisco 3560G-24TSS	257.45	257.45
3	IDF Switches	Cisco 3560 48TSS	257.45	772.35
1	Power Switch	Cisco 3560 48PSS	323.00	323.00
2	Power Switch	Cisco 2960S 24PS-S	285.00	570.00
27	Wireless AP	AIR-LAP1142N-A-K9	56.05	1,513.35
SUBTOTAL				3,436.15
Oak Street				
1	Core Switch	Cisco 3560G-24TSS	257.45	257.45
5	IDF Switches	Cisco 3560 48TSS	257.45	1,287.25
1	Power Switch	Cisco 3560 48PSS	323.00	323.00
2	Power Switch	Cisco 2960S 24PS-S	285.00	570.00
42	Wireless AP	AIR-LAP1142N-A-K9	56.05	2,354.10
SUBTOTAL				4,791.80



LAKEWOOD BOARD OF EDUCATION
NETWORK INFRASTRUCTURE CISCO BASE MAINTENANCE
OFFICE BUSINESS SYTEMS INC SPIN # 143004900
OFFICE BUSINESS SYTEMS FCC REGISTRATION # 0011906419

Quantity Description
Clark

1	Core Switch	Cisco 3560G-24TSS	Cisco Base SW Only	257.45	257.45
3	IDF Switches	Cisco 3560 48TSS	Cisco Base SW Only	257.45	772.35
1	IDF Switches	Cisco 3560 24TSS	Cisco Base SW Only	167.20	167.20
1	Power Switch	Cisco 3560 48PSS	Cisco Base SW Only	323.00	323.00
1	Wireless AP	Cisco 1310G Bridge	Cisco Base SW Only	79.80	79.80
2	Power Switch	Cisco 2960S 24PS-S	Cisco Base SW Only	285.00	570.00
27	Wireless AP	AIR-LAP1142N-A-K9	Cisco Base SW Only	56.05	1,513.35
SUBTOTAL					3,425.70

Early Childhood Center

1	Core Switch	Cisco 3560G-24TSS	Cisco Base SW Only	257.45	257.45
1	IDF Switches	Cisco 3560 48TSS	Cisco Base SW Only	257.45	257.45
1	Power Switch	Cisco 2960S 24PS-S	Cisco Base SW Only	285.00	285.00
1	Wireless AP	Cisco 1242AG AP	Cisco Base SW Only	56.05	56.05
2	Wireless AP	Cisco 1310G Bridge	Cisco Base SW Only	79.80	159.60
7	Wireless AP	AIR-LAP1142N-A-K9	Cisco Base SW Only	56.05	392.35
SUBTOTAL					1,407.90

Middle School

1	Core Switch	Cisco 3560G-24TSS	Cisco Base SW Only	257.45	257.45
4	IDF Switches	Cisco 3560 48TSS	Cisco Base SW Only	257.45	1,029.80
5	Power Switch	Cisco 3560 48PSS	Cisco Base SW Only	323.00	1,615.00
2	Wireless AP	Cisco 1242AG AP	Cisco Base SW Only	56.05	112.10
1	Power Switch	Cisco 3560CG-8PC-S	Cisco Base SW Only	142.50	142.50
1	Power Switch	Cisco 2960S 24PS-S	Cisco Base SW Only	285.00	285.00
39	Wireless AP	AIR-LAP1142N-A-K9	Cisco Base SW Only	56.05	2,185.95
SUBTOTAL					5,370.35

TOTAL INVESTMENT

36,336.55

395

Basic Maintenance
Cost of Eligible Goods and Service

Weight	OBS	Promedia
100%	100	incomplete

Annual Cost

Software Only \$36,336.55 did not bid
Hourly did not bid

This is for an unspecified quantity of hours, to perform unspecified maintenance on unspecified equipment, at unspecified location.
It does not mention CiscoBase.

\$41,400.00

Dynetek
incomplete
did not bid

\$30,000.00

150 hours

For Meraki switches, Wireless Network
and other network component

This is for new equipment, not existing

Bid Evaluation

==

FUNDING COMMITMENT REPORT
Billed Entity Name: LAKEWOOD TWP SCHOOL DISTRICT
BEN: 123469
Funding Year: 2015

Comment on RAL corrections:

MR1: The "Total Number of Students Full or Part Time" for Lakewood High School (Entity No. 9381) was decreased from 1121 to 1070 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.
<<<<<<<< MR2: The "Total Number of Students Full or Part Time" for Lakewood Middle School was decreased from 1150 to 1131 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.
<<<<<<<< MR3: The "Total Number of Students Full or Part Time" for Oak Street Elementary School (Entity No. 9390) was decreased from 1153 to 1125 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.

FCC Form 471 Application Number: 1038408

Funding Request Number: 2827823

Funding Status: Not Funded

Service Type: Internal Connections

FCC Form 470 Application Number: 520200001313051

SPIN: 143004900

Service Provider Name: Office Business Systems Holdings Inc

Contract Number:

Billing Account Number: N/A

Service Start Date: 07/01/2015

Service End Date: N/A

Contract Award Date: 04/08/2015

Contract Expiration Date: 06/30/2016

Shared Worksheet Number:

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-discount Amount for Eligible Recurring Charges: \$.00

Annual Pre-discount Amount for Eligible Non-recurring Charges: \$399,838.20

Pre-discount Amount: \$399,838.20

Discount Percentage Approved by the USAC: 85%

Funding Commitment Decision: \$0.00 - Bidding Violation

Funding Commitment Decision Explanation: The description for the products and services on the cited FCC Form 470 for the products and/or services in the FRN contains a particular manufacturer's name, brand, products and/or services without also specifying "or equivalent". This is a competitive bidding violation because there is no indication that the FCC Form 470 is also allowing a service provider to submit a bid for equivalent products and/or services. This undermines the competitive bidding process by eliminating the opportunity for the applicant to purchase an equivalent or better product that may be less expensive or to choose a less expensive service provider.

FCDL Date: 05/26/2016

Wave Number: 051

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2017

Consultant Name: MARK SELTZER

Consultant Registration Number (CRN): 16054718

Consultant Employer: RTC/TRMG

FUNDING COMMITMENT REPORT
Billed Entity Name: LAKEWOOD TWP SCHOOL DISTRICT
BEN: 123469
Funding Year: 2015

Comment on RAL corrections:

MR1: The "Total Number of Students Full or Part Time" for Lakewood High School (Entity No. 9381) was decreased from 1121 to 1070 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.
<><><><> MR2: The "Total Number of Students Full or Part Time" for Lakewood Middle School was decreased from 1150 to 1131 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.
<><><><> MR3: The "Total Number of Students Full or Part Time" for Oak Street Elementary School (Entity No. 9390) was decreased from 1153 to 1125 students that could be validated by third party data. The applicant supplied valid third party data to support the lower than requested "Total Number of Students Full or Part Time" for this school.

FCC Form 471 Application Number: 1038408

Funding Request Number: 2827834

Funding Status: Not Funded

Service Type: Basic Maintenance of Internal Connections

FCC Form 470 Application Number: 520200001313051

SPIN: 143004900

Service Provider Name: Office Business Systems Holdings Inc

Contract Number:

Billing Account Number: N/A

Service Start Date: 07/01/2015

Service End Date: N/A

Contract Award Date: 04/08/2015

Contract Expiration Date: 06/30/2016

Shared Worksheet Number:

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-discount Amount for Eligible Recurring Charges: \$36,340.08

Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00

Pre-discount Amount: \$36,340.08

Discount Percentage Approved by the USAC: 85%

Funding Commitment Decision: \$0.00 - Selective - Bidding Violation

Funding Commitment Decision Explanation: MR1: The amount of the funding request was changed from \$3,028.34/mo to \$2,836.83/mo to remove the ineligible portion of CON-SW-C356048S for \$187.46/mo and CON-SW-AIRAPAK9 for \$4.05/mo. <><><><> MR2: The ERN was modified from \$2,836.83/month to \$2,500.00/month to agree with the applicant documentation. <><><><> <><><><> DR1: Based on the documentation provided during the review process, you did not consider all of the bids received in response to the Form 470 and/or RFP during your bid evaluation process. Your bid scoring worksheets did not contain a score for each vendor that provided a response. Therefore, your ERN is being denied because the winning vendor was not selected in accordance with your bid evaluation process.

FCDL Date: 05/26/2016

Wave Number: 051

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2017

Consultant Name: MARK SELTZER

Consultant Registration Number (CRN): 16054718

Consultant Employer: RTC/TRMG

Letter of Appeal
Schools and Libraries Division-Correspondence Unit
30 Lanidex Plaza West
P.O. Box 685
Parsippany, NJ 07054-0685
Fax 973-599-6542

June 21, 2016

Letter of Appeal-

This Letter of Appeal is for Lakewood School District, BEN 123469. This is to appeal the denial of FRNs 2827823 and 2827834, 471 Application Number 1038408 for the 2015-2016 funding year.

The contact information for this appeal is:

Mark Seltzer
256 Eagleview Blvd. #513
Exton, PA 19341
Phone: 610-280-3810
Fax: 610-280-6111
Email: markseltzer@trmgi.com

Appeal Information:

The district received the Funding Commitment Decision Letter, dated 5/26/2016, indicating that funding was denied for FRNs 2827823 and 2827834. Unfortunately, we did not receive this letter for almost three weeks, because USAC failed to put postage on the letter and it was held as Postage Due.

We are puzzled as to why both FRNs were denied, as all documentation was provided to the reviewer, along with a complete explanation. As you will see in the correspondence with the reviewer, the reviewer seemed to misunderstand the bids, but rather than asking for clarification, the reviewer just denied the FRNs. While we responded with additional information, it does not appear that the reviewer read any of the response.

FRN 2827823 was denied because the Form 470 did not include the words "or equivalent." The RFP clearly states, "Bidders may bid equivalent or alternate equipment to what is listed." Erroneously, when the original response was sent to the reviewer, the incorrect file was attached. That file was a list of desired equipment from the district, but was not the actual RFP that was provided to bidders. Bidders were provided with an RFP as a PDF, which included instructions. In the instructions it clearly states that bidders may bid equivalent equipment. This was sent to the reviewer, but the reviewer still denied the FRN.

Please see pages 1-2 of the attachment. Page 1 is the email in which this was explained to the reviewer and page 2 is the actual RFP that specifies this.

FRN 2827834 was denied for the following reason, "you did not consider all of the bids received in response to the Form 470 and/or RFP during your bid evaluation process. Your bid scoring worksheets did not contain a score for each vendor that provided a response."

This denial is even more puzzling. There were three bidders. Each of the three bidders is listed on the Bid Evaluation. The bidders are Office Business Systems (OBS), Dyntek and Promedia. All three are summarized on the bid evaluation. The bids from Dyntek and Promedia were listed, but disqualified, as they did not contain sufficient information to be considered.

Before I explain this, I will provide some background. This has been a trend with BMIC for the last few years, which has caused many issues. A few years ago, USAC revised the requirements for BMIC to no longer provide funding for anything that was considered a retainer or that requested funding for work that might not actually be performed. In addition, any maintenance that included Advanced Hardware Replacement was no longer eligible. When this was implemented, USAC sent out an email explaining the change. This email was misinterpreted by some Service Providers. Unfortunately, we have since tried to locate this email on several occasions with no success. Everyone seems to recall the email, but no one can find it. Even the CSB has never been able to find these emails, and we have requested it several times. The email also stated that USAC would continue to cover hourly maintenance. One bidder in particular, Promedia, had an interesting interpretation of this email. They viewed this as an increase in funding, so that USAC would provide multiple types of BMIC on the same piece of equipment, regardless of whether or not this was requested on the Form 470. Promedia tends to have a very high employee turnover rate and when an employee learns this at Promedia, they often continue it when they work for a competitor of Promedia.

The district has a Cisco network. BMIC for Cisco equipment is referred to as Cisco SmartNet or Cisco Base. This is the manufacturer's name for BMIC and includes Technical Support, Bug Fixes and Software Upgrades. While there are alternatives, they do not include Software Upgrades, Technical Support or Bug Fixes, as that can only come from the manufacturer. Cisco SmartNet or Cisco Base is available on any equipment that is still supported by the manufacturer, or not end-of-life. Equipment that is end-of-life or end-of-support can still be maintained, but it is on an hourly basis and provided by a Cisco Partner, as there is no longer manufacturer support available. If a piece of equipment that is end-of-life breaks, they try to manually repair it.

In 2015-2016, USAC updated the ESL to indicate that, "The agreement or contract must specifically identify the eligible components covered including product name, model number and location. Support will only be paid for the actual work performed under the agreement or contact."

After USAC implemented these changes to BMIC, as described in the email that no one can locate, this misinterpretation caused bidders to begin to bid blocks of time, which they would just refer to as Basic Maintenance. These blocks of time are not defined or described in the bids. They typically just state "a number of hours for Basic Maintenance at \$150.00 per hour." In addition, these bids did not contain any model numbers or quantities. They typically just listed anything on the ESL, regardless of whether or not the district had this equipment. This was

limited to a small group of bidders, all of whom worked for the Service Provider that did this originally. Many attempts have been made to get the Service Providers to clarify the bids, but they will not. It is often unclear if this is done to intentionally mislead applicants, or if it is genuine confusion. In some cases, they claim that the hours are for equipment that is end-of-life and for which Cisco SmartNet and Cisco Base is not available, while in other cases, they claim that this is additional support needed for equipment that is still supported. Regardless, this is coverage that is in addition to Cisco SmartNet or Cisco Base on network equipment for which Cisco SmartNet or Cisco Base is still available. In many cases, bidders quote this in addition to Cisco SmartNet and Cisco Base, while in other cases they bid this without quoting Cisco SmartNet or Cisco Base; however they never claim that it is a substitute for Cisco SmartNet or Cisco Base. In theory, this might be eligible for E-rate funding, if it includes the information required in the ESL, and if it is something requested by the district. For example, if a district states on the Form 470 that they need 10 hours of maintenance for a specific router, this would likely be eligible, as all bidders have the information required to bid. The reviewer erroneously just assumed that the hourly bids are an alternative to Cisco SmartNet/Cisco Base, which even the bids don't claim.

This concludes the background. I will now address the specifics of this FRN. I will include the page numbers of the attachment, so that it is easier to view the attachment while reading this.

As described above, this trend originated with a company called Promedia. Promedia is one of the three bidders (see page 3). Promedia's bid calls the service, "BMIC for 12 months of support on specified equipment, for \$41,400.00." This bid lacks any information whatsoever to possibly compare it to other bids. Promedia was asked to revise their bid to include the model numbers and quantity, but refused. As such, their bid was marked as incomplete, as it lacks all information listed in the ESL.

The next bidder is Dyntek. Dyntek's original bid stated that it was for, "Annual BMIC for FY 15-16 Erate Meraki Switches, Wireless Network and other network components," for \$30,000.00. While this bid is slightly more specific than Promedia's, by specifying the manufacturer of the switches, it also lacks quantities and model numbers, as required by the ESL. Dyntek was asked to revise their bid to include this information (see pages 4-5) and responded with a revised bid (see page 6). In the revised bid, Dyntek listed the service as, "Annual BMIC for FY 15-16 For CISCO switches, Blades, Chassis and other network equipment," also for \$30,000.00. They did include two model numbers, but did not list quantities. At the request of bidders, all bidders were provided with a list of equipment for which BMIC was needed (see page 7). Neither of the model numbers listed in the bid were on the equipment list provided to bidders, nor were they equipment that the district had. If you compare the model numbers listed in Dyntek's bid, you will notice that they are not in the list provided to bidders. Dyntek simply added two model numbers, which the district didn't actually possess. To review, the first bid was for \$30,000.00 for Meraki Switches, Wireless Network and other network components, while the second is for Cisco Switches, Wireless Network and other network components, for an additional \$30,000.00. Neither model number is from the list of equipment provided to bidders. The total Dyntek bid was for \$60,000.00, however since Dyntek was clearly confused, the district only included one of the two bids. The Dyntek bid provides no information to determine what service would actually be performed, what portion might be ineligible, the quantities of

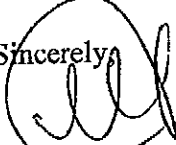
equipment that is covered or the model numbers covered, except for two model numbers, which the district didn't actually have and which wasn't actually requested to be covered. This bid cannot be considered complete, as per the ESL.

On the bid evaluation (see pages 7-8), all three bidders are clearly included. Both Promedia and Dyntek are marked as incomplete. As indicated in the response to the reviewer (see page 10-12), the bid evaluation records the bids in two categories, since the three bids are not for the same service. The first is Software Only and the second is Hourly. Software Only refers to the Cisco Base bid (Technical Support, Bug Fixes and Software Upgrades), while Hourly refers to bids that did not include Technical Support, Bug Fixes and Software Upgrades and were purely a block of hours. The only bidder that bid Software Only/Cisco Base was OBS. While Dyntek and Promedia did bid, they only bid the block of hours, which lacked a description. The district elected to choose the Software only, as it was the only bid that included Technical Support, Bug Fixes and Software Upgrades. This was explained to the reviewer, who apparently just ignored it completely. In fact, the bid evaluation clearly indicates and lists "did not bid" for both bidders that did not quote on Software Only.

The OBS bid is very clear (see pages 14-15). The service being provided is Cisco Base, all model numbers are listed, all quantities are listed, and the cost for each model number is listed, so that all ineligible costs can be cost allocated, as required by the ESL. By comparison, the other two bids list no model numbers, except one that lists equipment that the district doesn't have, list no quantities, contain no description whatsoever of what is being provided, provides no information regarding what portion might be ineligible and contain no cost information other than an hourly rate. Both bidders were provided with the opportunity to clarify this information, as required by the ESL, but did not do so. There is insufficient information to compare these bids to the OBS bid, and the bids were marked as Incomplete for this reason. USAC cannot possibly claim that bids that do not even meet the requirements of the ESL are complete, and therefore should be scored on the bid evaluation, as though they are complete, as opposed to being marked as incomplete.

We request that USAC approve funding for these FRNs.

Please advise if any additional information is required for consideration of this request.

Sincerely,

Mark Seltzer
Consultant
610-280-3810



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2015-2016

August 23, 2016

Mark Seltzer
RTC/TRMG
256 Eagleview Blvd. #513
Exton, PA 19341

Re: Applicant Name: LAKEWOOD TWP SCHOOL DISTRICT
Billed Entity Number: 123469
Form 471 Application Number: 1038408
Funding Request Number(s): 2827823, 2827834
Your Correspondence Dated: July 20, 2016

After review of the information and documentation provided, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's funding commitment decision for the FCC Form 471 Application Number and funding requests number(s) (FRN(s)) referenced above. This letter provides an explanation for USAC's decision. The date of this letter also begins the sixty (60) day time period for appealing this decision. If your Letter of Appeal included more than one FCC Form 471 Application Number, please note that you will receive a separate decision for each funding application.

Funding Request Number(s): 2827823, 2827834
Decision on Appeal: **Denied**
Explanation:

- USAC denied your Appeal for FRN 2827823 because the description for the products and services on the cited FCC Form 470 for the products and/or services in the FRN contains a particular manufacturer's name, brand, products and/or services without also specifying "or equivalent". This is a competitive bidding violation because there is no indication that the FCC Form 470 is also allowing a service provider to submit a bid for equivalent products and/or services. This undermines the competitive bidding process by eliminating the opportunity for the applicant to purchase an equivalent or better product that may be less expensive or to choose a less expensive service provider. FRN 2827834 was denied for not properly evaluating all bids and failure to consider all of the bids received in response to the Form 470 and/or RFP. The winning vendor was not selected in accordance with your bid evaluation process. You have not demonstrated on

appeal that USAC's determination was incorrect. Consequently, USAC denies your Appeal.

If you wish to appeal this decision, you may file an appeal pursuant to 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:
<http://www.usac.org/sl/about/program-integrity/appeals.aspx>.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Thomas D'Ambola